



Decentralization, Institutional Ambiguity, and Mineral Resource Conflict in Mindanao, Philippines

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Summary. — Based on an analytical framework that builds on theories of incremental institutional change, this article interrogates the relationship between decentralization and mineral resource conflict in the Philippines. Here, efforts to decentralize control over mineral resource wealth have resulted in a highly ambiguous institutional arena, wherein heterogeneous actor coalitions are attempting to influence trajectories of institutional change, and the associated distribution of mineral wealth. On the ground, this institutional renegotiation produces a diverse range of conflicts. Emerging on top of these institutional struggles are local elected politicians, which raises important concerns over elite capture of the decentralization process.

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1. INTRODUCTION

In recent years and decades, decentralization has emerged as a major policy emphasis worldwide, stimulating debates about the relationship between decentralization and various aspects of governance and economic development, including public accountability and corruption, poverty alleviation, intergovernmental fiscal relations, and the nature of political competition (see [Faguet, 2014](#) for an overview). In development studies, specific attention has been paid to effectivity and equity concerns in the decentralization of natural resource management ([Larson & Ribot, 2004](#)), particularly in the domain of forestry (e.g., [Andersson, Gibson, & Lehoucq, 2006](#); [Batterbury & Fernando, 2006](#); [Larson & Ribot, 2004](#)). A recurring argument in this body of literature is that otherwise well-intentioned decentralization initiatives are often thwarted by political-economic considerations, with national governments “recentralizing while decentralizing” ([Ribot, Agrawal, & Larson, 2006](#)), and local elites capturing newly devolved powers and resources ([Béné et al., 2009](#); [Maconachie, 2010](#); [Pattenden, 2011](#); [Poteete & Ribot, 2011](#)).

A somewhat underdeveloped theme in the growing body of literature on decentralization is its alleged potential to mitigate or even prevent conflict ([Lijphart, 1977](#)). A growing number of scholars have warned against an overly optimistic reading of the relationship between decentralization and sociopolitical stability. These scholars can roughly be categorized in two groups. A first group is associated with the political science literature on civil conflict, and aims to identify the variables that mediate the relationship between decentralization (whether or not as part of a broader system of federalism) and intrastate stability at the macro level ([Brancati, 2008](#); [Kymlicka, 1998](#)). A second group of scholars is more closely associated with critical development studies, and argues that decentralization increases institutional uncertainty, thereby producing conflicts between a range of actors staking competing claims to resources ([Benjamin, 2008](#); [Hagmann & Mulugeta, 2008](#); [McCarthy, 2004](#); [Peluso, 2007](#)).

Identifying with this second group of authors, this article adopts an empirical, bottom-up approach to analyzing the impact of decentralization on mineral resource governance—a theme that has hitherto received only scant attention in

the decentralization literature (but see [Arellano-Yanguas, 2011](#); [Maconachie, 2010](#))—in the Philippines. Section 2 of the article provides a more elaborate review of the existing literature that deals with the relationship between decentralization and intrastate conflict. It also proposes an analytical framework to analyze the impact of decentralization on local resource conflicts, that draws heavily on insights from the literature on incremental institutional change (particularly [Mahoney & Thelen, 2009](#)). Section 3 provides a critical historical overview of central-local ties and decentralization in the Philippines. It is argued that the Local Government Code of 1991, as the centerpiece of decentralization, was in fact a radicalization of a longstanding tradition of decentralized state-building through local politicians. Finally, Section 4 presents the main empirical findings. It is argued that various, seemingly uncoordinated efforts to decentralize mineral resource governance, have given rise to a highly ambiguous institutional arena, marked by pervasive uncertainty regarding rule interpretation and enforcement. This institutional ambiguity creates opportunities for the renegotiation and contestation of institutional arrangements, and the associated distribution of mineral resource wealth across society. This institutional renegotiation is a political process par excellence, and involves a range of conflicts between indistinct, asymmetric, and constantly shifting coalitions of actors that involve among others government officials, large-scale mining companies, small-scale miners, tribal groups, and armed groups. In an attempt to make sense of this complex conflict ecology, three major cleavages are identified around which institutional struggles are now crystallizing, namely (1) Intra-government conflicts over fiscal-regulatory authority in the mining sector, (2) Conflicts between large-scale mining companies and small-scale mining over access to mineral-yielding land, and (3) Conflicts between tribal groups seeking to secure ancestral domain rights and associated mining royalties under the Indigenous People’s Rights Act. The common denominator underlying these different conflicts is the central role played by local politicians as gatekeepers in the mining sector. While it is impossible to predict future trajectories of institutional change, it is

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highly likely that they will continue to do so in the future. This raises important concerns over elite capture of the decentralization process.

2. TOWARD AN ANALYTICAL FRAMEWORK

Decentralization is understood here broadly as “the transfer of power from the central government to actors and institutions at lower levels in a political-administrative and territorial hierarchy” (Larson & Ribot, 2004, p. 3). National policy-makers can have various incentives to support the devolution of power and resources to subnational actors. Some authors treat decentralization as part of a long-term strategy aimed at shoring up the legitimacy and power of the regime (Boone, 2003), while others also draw attention to short-term political considerations (Eaton, 2001). Rather than providing an in-depth discussion of the various arguments for and against decentralization, this theoretical section zooms in on one specific argument that has been coined in favor of decentralization, namely its alleged potential to prevent and/or to mitigate conflict. As noted in the introduction, existing theoretical-analytical approaches toward the relationship between decentralization and sociopolitical stability can roughly be categorized in two groups: one that focuses on macro-level conflict, and one that draws analytical attention to micro-level political dynamics.

(a) *Decentralization and intrastate stability on the macro-level*

The relationship between decentralization and sociopolitical stability has been extensively debated in the literature on civil conflict (for overviews see Bakke & Wibbels, 2006; Brancati, 2008). For some authors, decentralization reduces the likelihood of intrastate conflict, by enabling the inclusion of previously marginalized groups, thereby eliminating the grievances that fuel conflict (Lijphart, 1977). Others are more pessimistic, arguing that decentralization risks fostering centrifugal forces (Kymlicka, 1998), among others by providing subnational actors with the institutional structure and resources necessary to sustain (violent) mobilization (Eaton, 2006; Snyder, 2000). Still others argue that the relationship between decentralization and conflict is context-specific, and hinges on such key variables as interregional inequality and ethnic heterogeneity (Bakke & Wibbels, 2006), or the presence of regional parties (Brancati, 2008).

Despite their disagreements, these authors share an analytical focus on the relationship between decentralization and conflict (mostly ethnic and secessionist conflict, but see Eaton, 2006) at the macro level. Furthermore, as noted by Brancati (2008), most of these authors draw on (comparative) qualitative case study material. A few others, including Brancati herself as well as Bakke and Wibbels (2006), use large-N statistical analysis to advance their theoretical claims. However, Bakke and Wibbels recognize the limits to the generalizability of their findings, stressing the need for “substantial case-study work to more carefully examine the mechanisms underpinning those findings” (p. 37–38).

(b) *Views from below: decentralization and local resource struggles*

In recent years decentralization has attracted increased attention of a heterogeneous group of political anthropologists, human geographers, and development sociologists, who are primarily interested in understanding the impact of decentralization and democratization on local (resource)

governance arrangements. Emerging from this body of literature are a series of related arguments about the intensely political character of decentralization, which all too often continues to be presented as a technocratic exercise (Hadiz, 2004). While some of these authors make notable efforts to develop an analytical framework, most are primarily interested in providing an in-depth analysis of decentralization within a particular sociopolitical context, usually based on extensive field research.

Several authors adopting such a bottom-up approach have convincingly demonstrated that in many countries, democratic decentralization is “barely happening” (Larson & Ribot, 2004), or is subject to intense struggles between different government levels and -agencies over the eventual terms and extent of decentralization (Eaton, 2001). Particularly significant for the purposes of this article are those authors that draw attention to the tendency for decentralization to upset existing institutional arrangements that regulate access to natural resources, thereby creating opportunities for established or emergent elites to capture devolved power and resources (Béné *et al.*, 2009; Maconachie, 2010; Pattenden, 2011; Poteete & Ribot, 2011; Pulhin & Dressler, 2009). In countries such as Ethiopia (Hagmann & Mulugeta, 2008) and Indonesia (Eilenberg, 2009; McCarthy, 2004; Peluso, 2007; Schulte Nordholt & Van Klinken, 2007), decentralization has gone hand in hand with an increase in conflicts over access to devolved power and resources between local elite networks. Significant for the purposes of this article, Arellano-Yanguas (2011) interrogates the impact of the new “localist paradigm” in the Peruvian mining sector, demonstrating how it has contributed to a range of conflicts over the distribution of mining rents. The following section aims to integrate these initial observations in a broader analytical framework for understanding the relationship between decentralization and local resource struggles.

(c) *Toward an analytical framework*

The analytical framework proposed here draws heavily on insights from historical institutionalism, particularly on those authors working on incremental institutional change (Mahoney & Thelen, 2009; Pierson, 2004). In line with other institutionalists, these authors conceive of institutions as formal and informal rules that structure human behavior. However, instead of seeing them as “neutral coordinating mechanisms”, they are approached as “distributional arrangements that allocate resources unevenly” (Mahoney, 2010, p. 15) and that “reflect, and also reproduce and magnify, particular patterns of power distribution” (Thelen, 1999, p. 394). Moreover, while most institutionalists focus on exogenous shocks as sources of radical institutional change, these authors combine their power-laden approach to institutions with an analytical focus on incremental institutional change (Mahoney & Thelen, 2009; Pierson, 2004). Finally, historical institutionalism would not be historical if it did not pay attention to the determining influence of institutional legacies on existing institutional arrangements, on the power relations underpinning them, and on the strategic choices available to (groups of) actors (Pierson, 2004). While important questions remain with regards to the contextual factors that promote or discourage particular trajectories of incremental institutional change, Mahoney and Thelen (2009) suggest that institutional change is particularly likely to occur in those environments characterized by high degrees of institutional ambiguity, where uncertainty over the interpretation and enforcement of existing rules creates opportunities for “agents of change” to

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